

U.S.-Peru Trade Promotion Agreement Market Access Results

Electrical and Electronic Equipment

Trade and Tariffs

This sector includes various electrical and electronic products, including batteries, power distribution equipment, and some consumer electronics.

Electrical and electronic equipment accounted for 1.3 percent of total U.S. industrial exports to Peru in 2004, totaling \$18.3 million. The top U.S. exports in this sector were insulated electric cable, coaxial cable, electrodes, and video projectors. Peruvian tariffs range between 4 and 12 percent with an average of 8 percent in 2004.

Peruvian exports to the United States totaled less than \$1 million in 2004, which is less than 1 percent of the total Peruvian industrial good exports to the United States. Top Peruvian exports to the United States were insulated conductors, AC/DC motors, and electrical parts. The United States' tariffs range between zero and 15 percent with an average of 3 percent. All Peruvian exports of electrical and electronic equipment enter the United States duty-free under the Andean Trade Preference Act (ATPA) and Andean Trade Promotion and Drug Eradication Act (ATPDEA) tariff preferences.

Tariff Elimination

Overall, tariffs will be phased out according to four tariff elimination categories: immediate elimination, equal cuts over five years, equal cuts over seven years, and equal cuts over ten years.

For electrical and electronic equipment, 86 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on another 12 percent of exports will be eliminated over five years. Duties on the remaining 2 percent of U.S. exports will be eliminated over ten years.

Tariffs on high-priority electrical and electronic products such as video recorders and projectors, TVs, and coaxial cable will be eliminated immediately upon implementation of the agreement.

The United States agreed to consolidate all ATPA and ATPDEA tariff preferences into the final tariff elimination schedules. This means that all electrical and electronic equipment exports from Peru will continue to receive duty-free treatment.

Non-Tariff Barriers

Peru will eliminate its prohibition on the importation of remanufactured goods, as defined in Chapter Four - Rules of Origin, on entry into force of the Agreement. Peru will eliminate tariffs on most remanufactured goods immediately and will phase down tariffs on a small number of remanufactured goods over 10 years.